

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT:
July 2007 PROJECT PIPELINE UPDATE

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This report was last updated on **July 27**. The information contained on this report will reflect the status of each project and new project entries.

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I. INTRODUCTION AND GUIDE TO EBRD'S PROJECT PIPELINE:

Project finance is the EBRD's core business. The EBRD has committed more than €22.7 billion (about \$29 billion) to both private and state sector projects. All projects provide a number of procurement opportunities. U.S. companies can access information about EBRD's projects through the EBRD's website www.ebrd.com/oppo/procure/oppo/index.htm.

The interval between identification of a project and its approval varies in every case. Each entry in the Project Pipeline identifies the status of a particular project in the project cycle.

After loans are approved, entries are dropped from the Project Pipeline and appear on the Projects Approved page of the EBRD's website.

We would like to draw U.S. companies' attention to the difference between state sector projects, which are followed with international tendering processes, versus procurement under private sector projects, which are completed by the EBRD's client. With procurement under private sector projects, it would be important to contact the EBRD's client directly.

Inclusion of a project in the Bank's Project Pipeline does not imply any commitment on the part of the Bank to finance the project.

New projects, which appear in the Project Pipeline for the first time, are indicated by the abbreviation (N) before the project name. For additional information on any of these projects, interested parties are requested to contact the executing agencies directly and NOT the European Bank.

II. PROJECTS SCHEDULED FOR BOARD CONSIDERATION:

	Project name	Country	Date disclosed
A.	Sisak Wastewater Management Project	Croatia	26 Jul 2007
B.	Road Maintenance Development Project	Tajikistan	17 Jul 2007
C.	Rivne Kyiv High Voltage Line Project	Ukraine	13 Jul 2007
D.	ISO & TRANSCO Loan Novation Project (ref 12413)	Bosnia and Herzegovina	2 Jul 2007

A.

Project name:	Sisak Wastewater Management Project
Country:	Croatia
Project number:	37187
Business sector:	Municipal and environmental infrastructure
Public/Private:	Public
Environmental category:	B
Board date:	23 October 2007
Status:	Inactive
Date PSD disclosed:	26 July 2007
Date PSD updated:	
Project description and objectives:	The proposed project will provide finance to upgrade and extend the sewage network and construction of wastewater treatment plant in the City of Sisak and thus reduce the amount of pollution currently being discharged directly into the surrounding rivers, which

ultimately flow into the Danube.

Transition impact: The proposed project is expected to provide significant transition impact through increased commercialisation of the municipal water company, including improved cost efficiency, long-term planning, implementation of a cost recovery tariff model, and preparation of a Public Service Contract between the City and the Company.

The client: The City of Sisak and Sisacki Vodovod, d.o.o. ("Sisak Water Company"), a municipally-owned company, that provides water supply and sewage services in the City of Sisak.

EBRD finance: Senior loan of up to EUR 10 million to the Sisak Water Company. The project is designed to complement significant EU IPA co-financing of up to EUR 15 million.

Total project cost: Up to EUR 30.3 million.

Environmental impact: The environmental due diligence is being carried out by Consultants as part of the feasibility study and project preparation. The due diligence comprises of an environmental audit, which will identify measures that would be needed for the existing facilities to achieve full compliance with applicable Croatian regulatory requirements and EU environmental standards; and an environmental analysis to assess environmental benefits and impacts of the project and make recommendations for mitigation measures. The Company will need to adopt and implement an Environmental Action Plan based on the recommendations of the environmental due diligence. The EAP will be implemented within a timeframe acceptable to the Bank.

Technical cooperation: Consultants funded by the Government of Netherlands are engaged to review the investment plan and prepare the feasibility study together with the application for grant funding for EU IPA co-financing. The Project Implementation and Management Support to Company are also envisaged through technical assistance. For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

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B.

Project name: Road Maintenance Development Project

Country: Tajikistan

Project number: 36826

Business sector: Transport

Public/Private: Public

Environmental category: C

Board date: 4 September 2007

Status: Passed concept review, Pending final review

Project description and objectives: The proposed project will finance procurement of road maintenance equipment to be employed by the Ministry of Transport and Communications to carry out essential maintenance work on the road network of Tajikistan.

Transition impact: The proposed project, together with a parallel technical cooperation programme, will assist the Government to achieve sustainable road maintenance on the republican road network of Tajikistan. Transition impact also builds on the high economic returns which come from improved road maintenance, and resulting lower transport costs. These in turn assist with regional integration and social development.

The client: The borrower is the Republic of Tajikistan. The project will be implemented by the Ministry of Transport and Communications

EBRD finance: USD 4 million (EBRD loan).
The project will also benefit from an investment grant to be provided by the Government of the Netherlands.

Total project cost: Estimated USD 6 million.

Environmental impact: Screened C/1. The Project involves only procurement of equipment and is associated with no significant environmental issues. Some environmental impacts may arise from the use of the road maintenance equipment.

However, these can be avoided or mitigated by appropriate management of road maintenance and work practices. The Bank will fund a TC programme aiming at improving the Ministry of Transport and Communications' capacity to plan, manage and implement road maintenance. The TC will produce a Road Maintenance Management Plan, which will include an environmental management plan. This will take into consideration the environmental management, mitigation and protection measures that are being developed under the on-going road rehabilitation programmes financed by the Government, other IFIs, and bilateral assistance.

Technical cooperation:

EUR 500,000 for the preparation of transition components.

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C.

Project name:	Rivne Kyiv High Voltage Line Project
Country:	Ukraine
Project number:	37598
Business sector:	Power and Energy
Public/Private:	Public
Environmental category:	A
Board date:	9 October 2007
Status:	Passed final review, Pending board approval
Date PSD disclosed:	13 July 2007
Date PSD updated:	

Local language translation: [Переклад українською мовою](#) 

Date translation disclosed: 13 July 2007

**Project description
and objectives:**

The proposed project consists of construction of a new 750 kV power transmission line.

This public sector project involves the construction and operation of two new transmission lines: the 750 kV Rivne NPP – Kyiv transmission line of the total length 353 km and the 135 km 750 kV Khmelnytsk NPP - Chernobyl NPP line diversion to Kyiv substation.

The line and the diversion will be constructed along new routes and as part of the assessment a number of alternative routes were considered.

The objective of this project is to increase the reliability of power supply to consumers in Kiev region and improve the overall stability of the grid system. Increased reliability of the power system will increase overall sector efficiency will thus have indirect environmental benefits and facilitate international co-operation in the sector.

Transition impact:

The transition impact potential stems primarily from (i) support of Ukrainian energy system stability and reliability; (ii) considerable energy efficiency improvements for the entire energy sector; (iii) reduction in greenhouse gas emissions; and (iv) assisting in the tariff reform process for the Ukrainian electricity transmission sector.

The client:

Ukrenergo, fully State owned company responsible for high voltage transmission and dispatch of electricity in Ukraine.

EBRD finance:

EUR 150 million sovereign loan

Total project cost:

Up to EUR 452 million.

Environmental impact:

The Project has been screened A/0 requiring an Environmental and Social Impact Assessment (“ESIA”). The Project has also been subject to Ukrainian EIA and an additional ESIA was undertaken by an international consultant to meet EBRD Environmental Policy and Procedures for A level projects of this type.

The ESIA focused on the overall environmental and social impacts and provision of appropriate

guidance and recommendations for future contractors during the construction process. These recommendations are included in the environmental management and monitoring plan and any contractors will need to adhere to these requirements.

The ESIA report undertaken by the Bank's consultant has not identified any major environmental or social issues and overall shows the positive aspects of the new transmission line in terms of strengthening the Ukrainian National Grid. The Project is now subject to public consultation.

Overall, the ESIA confirmed the adequacy of the route selection and did not identify any major environmental or social issue.

The draft final ESIA documents were made publicly available as required under the Bank's policies, in both the national language and in English. The public hearings on this project are to take place the second part of July 2007.

There is an [Environmental Impact Assessment](#) available for this project.

Technical cooperation:

TC funding is being sought to finance the project preparation assignment to help the Client with procurement activities under the project, the Bank will also seek TC funding to finance an assistance program to the National Electricity Regulatory Commission (NERC) in the reform of electricity transmission tariff methodology. For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

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D.

Project name:	ISO & TRANSCO Loan Novation Project (ref 12413)
Country:	Bosnia and Herzegovina
Project number:	37972
Business sector:	Power and Energy
Public/Private:	Public
Environmental category:	C
Board date:	23 October 2007
Status:	Passed final review, Pending board approval
Date PSD disclosed:	2 July 2007
Date PSD updated:	
Project description and objectives:	<p>Supply and installation of a SCADA/EMS system for the electricity transmission network in the Federation of Bosnia and Herzegovina and Republika Srpska. Following the signing of this loan in November 2000, a further loan of €20 million for environmental investments at four thermal power plants (Tuzla, Kakanj, Gacko and Ugljevik) is being considered.</p> <p>The project will re-establish Bosnia and Herzegovina's interconnection with the Union for the Coordination of Transmission in Europe (UCTE), thereby increasing and facilitating power trade in the region. It will also help reduce environmental pollution in the region through investments in four power plants.</p>
Transition impact:	<p>Under the project, the international financial institutions will provide assistance in the formulation and implementation of power sector restructuring in Bosnia and Herzegovina.</p>
The client:	<p>The loan was initially lent directly to the State of Bosnia and Herzegovina with two on-lending agreements signed between the State and the two Entities, as well as three on-lending agreements between the Entities and each of the three utilities operating in the power sector, namely: Elektroprivreda Republika Srpska (EPRS), Elektroprivreda Hrvatske Zajednice Herceg-Bosne</p>

(EPHZHB), and Elektroprivreda Bosne i Hercegovine (EPBiH).
With the establishment of Transco and ISO, respectively the owner and operator of the high voltage transmission network, the loan obligations will be redirected from the Elektroprivredas to the newly created companies.

EBRD finance:

The EBRD has provided €50 million, and with additional €20 million, in the form of a sovereign loan. The project is part of a larger investment programme for the Bosnian power sector, being financed in parallel by the World Bank, EIB and bilateral donors.

Total project cost:

Approximately US\$ 231 million (€272 million).

Environmental impact:

The project was initially screened as "C1". The project will help to increase the reliability and efficiency of electricity transmission and will reduce line losses and associated emissions from power generation. In addition, the loan increase (screened as B/1) will help decrease dust emissions as well as reduce the risk of polluted water discharges, thereby improving the local environment.

Technical cooperation:

None.
For consultant opportunities for projects financed by technical cooperation funds, visit [procurement of consultants](#).

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